

**TESTIMONY BY NEW VISIONS FOR PUBLIC SCHOOLS
AT A FEDERAL RESERVE BOARD PUBLIC MEETING
REGARDING THE PROPOSED MERGER OF
CITICORP AND THE TRAVELERS GROUP, INC.**

June 23, 1998

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My name is Gerry Vazquez, and I am Executive Vice President and COO of New Visions for Public Schools. I am representing our President, Beth Lief, who expresses her regrets at being unable to appear here today.

New Visions for Public Schools appreciates the opportunity to state our support of the proposed merger of Citibank and The Travelers Group, Inc., and more specifically, to inform you of the generous support both corporations have provided to New Visions. Citibank and The Travelers Group have demonstrated sustained commitment to community and educational initiatives. A merger of these institutions would only fortify our capacity to effect change.

Founded in 1989, New Visions for Public Schools is a non-profit organization that works with the New York City school system, the private sector and the community to mobilize resources and develop

programs and policies that lead to significant, lasting improvement in the achievement of all children.

Since 1990, Citibank has contributed a total of some \$214,700 to New Visions, supporting our efforts in a number of ways. The Citibank Success Fund Awards recognized exemplary teachers and principals with monetary awards for the winners and the winners' schools. The Citibank Success Fund Awards were presented at an impressive awards ceremony attended by invited guests that included an array of major community and education leaders. The awards consistently received favorable and extensive press coverage and brought to these educators an all too rare public acknowledgement and appreciation of their gifts and dedication.

Citibank helped to start a Tech Corps of students who learned how to repair technology and did so in schools as part of their community service project. Currently, Citibank is sponsoring the Citibank College Bound Program, which provides a comprehensive array of supports to disadvantaged city students who want to go to college. These students are often the first in their families to finish high

school. Citibank's money enables students to learn about colleges appropriate to their career plans and to visit them, to receive preparation for the SATs and to get help with college applications. This assistance is often what makes the difference in the students' ability to navigate the complex process of college selection and admissions successfully and to achieve access to higher education.

The Travelers Group has provided \$115,000 in major support for New Visions' Early Childhood Initiative, a program that combines in the same classroom children of all abilities, including those with disabilities. Operating in a range of city public schools representing different family incomes and backgrounds, this Initiative is demonstrating its viability as a model for diverse urban communities by making it possible for students of all abilities to successfully learn and excel together. Small classes with teams of teachers, special education experts and paraprofessional staff allow for a higher level of individualized instruction than can be provided in a conventional classroom.

Evaluations find that all children are benefiting, with even the

most severely handicapped children showing remarkable academic and social progress. High achieving students continue to perform at high levels.

The Travelers Group is to be commended for its readiness to invest in the Early Childhood Initiative. This highly innovative program breaks new ground in bringing together diverse groups of children, maximizing their strengths and unique contributions and achieving great benefits for each child. It's no wonder parents are pleased with the results and seek to have their children continue in the program.

Our relationships with Citibank and The Travelers Group have been truly excellent. They support public education and our work, and we believe this support will continue in the years ahead. They have demonstrated that excellence in our public schools is a priority among the city's private sector leaders.

In summary, we are strongly in favor of the merger, based on our own involvement with Citibank and The Travelers Group and their

**clear concern for serving the needs of our communities, our children
and our city's future.**

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39-82 65th place apt 3i
Woodside, Queens
New York City 11377

Federal Reserve Bank of New York
33 Liberty Street
New York, New York

Att: Presiding Officer
Glenn E. Loney, Deputy Director
of the Federal Reserve Boards
Division of Consumer and
Community Affairs

Re: Travelers Group Inc.
Citicorp
Public Meeting
June 26, 1998

Dear Mr. Loney

Will the proposed acquisition cause the MANAGERIAL RESOURCES of Travelers to reform and correct what appears to be Citibank's obstruction of justice by failing from December 1995 thru June 25, 1998, almost two and one half years since my Attorney and the Attorney's for Citibank, N.A., Zeichner, Ellman & Krause signed on November 16, 1995 a Contractual Stipulation Settlement Agreement to provide in lieu of the Information Subpoena and to discontinue the Contempt of Court action against a vice president at Citibank, certain information. Attached herewith is a copy of my Attorney's letters of May 28, 1996 and an updated copy of same dated June 25, 1998 showing there failure to furnish the Contractually Agreed information despite the fact that Subpoena Duces Tecum's were properly served in accordance with the aforementioned agreement.

I have been unable to proceed to collect my Judgment of Jan. 20, 1995 in the amount of \$11,241. because I have effectively been denied the opportunity to recover my loss because of Citibank's failure.

Respectfully submitted

Shah ms

Mahesh Shah

Shah mahesh

*Richard Bruce Rosenthal
and Associates, P.C.
Attorneys at Law*

120-82 QUEENS BOULEVARD
KEW GARDENS, N.Y. 11415
(718) 261-0200

28 May 1996

To: Mahesh Shah
39-82 65th Place
Apt. 3I
Woodside, NY 11377

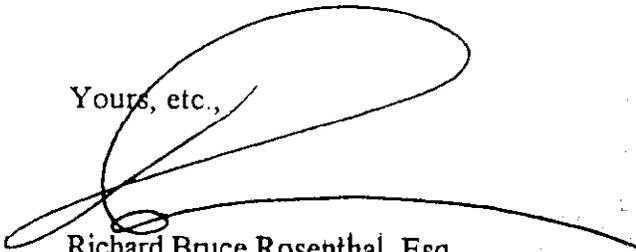
Dear Mr. Shah;

As I have previously advised you, a new subpoena was served upon Citibank on December 7, 1995 in accordance with the stipulation of settlement entered into with their attorney dated November 16, 1995.

To date Citibank has failed and refused to provide the records requested, though over 3 months have elapsed and despite repeated attempts by me to obtain such records. At this point, as there is no longer any proceeding pending before the Court, I would recommend that a new contempt proceeding be instituted thereunder in the Civil Court, Queens County seeking sanctions against Citibank.

Please contact me with instructions regarding this matter, I remain

Yours, etc.,


Richard Bruce Rosenthal, Esq.

6/25/98

*TO DATE NO PAPERS OR
DOCUMENTS IN REGARD TO ABOVE
MATTER HAVE BEEN REC'D BY THIS
OFFICE FROM CITIBANK THEIR ATTORNEYS
OR ANY REPRESENTATIVES OF CITIBANK*

**RICHARD BRUCE ROSENTHAL
& ASSOCIATES, P.C.**

*Richard Bruce Rosenthal
and Associates, P.C.
Attorneys at Law*

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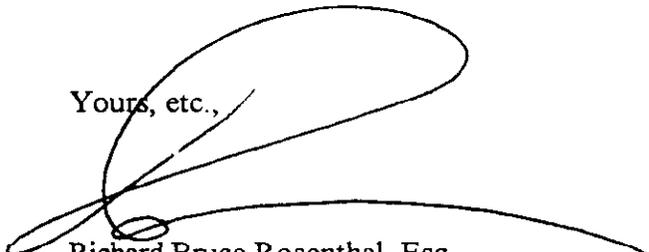
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Richard Bruce Rosenthal, Esq.

Notice: The powers granted by this document are broad and sweeping. They are defined in New York General Obligations Law, Article 5, Title 15, sections 5-1502A through 5-1503, which expressly permits the use of any other or different form of power of attorney desired by the parties concerned.

Know Everyone by These Presents, which are intended to constitute a GENERAL POWER OF ATTORNEY pursuant to Article 5, Title 15 of the New York General Obligations Law:

That I **Mahesh SHAH** 39-82 65th Place, Apt. 3i, Woodside, Queens, New York City 11377
(insert name and address of the principal)
do hereby appoint **Charles Siegel** P.O. Box 751066, Forest Hills, Queens, New York City 11375
(insert name and address of the agent, or each agent, if more than one is designated)

my attorney(s)-in-fact **TO ACT**

If more than one agent is designated and the principal wishes each agent alone to be able to exercise the power conferred, insert in this blank the word "severally". Failure to make any insertion or the insertion of the word "jointly" will require the agents to act jointly.

In my name, place and stead in any way which I myself could do, if I were personally present, with respect to the following matters as each of them is defined in Title 15 of Article 5 of the New York General Obligations Law to the extent that I am permitted by law to act through an agent:

[Strike out and initial in the opposite box any one or more of the subdivisions as to which the principal does NOT desire to give the agent authority. Such elimination of any one or more of subdivisions (A) to (L), inclusive, shall automatically constitute an elimination also of subdivision (M).]

To strike out any subdivision the principal must draw a line through the text of that subdivision AND write his initials in the box opposite.

- ~~(A) real estate transactions; [M.S.]~~ (H) claims and litigation: [.....]
- ~~(B) chattel and goods transactions; [M.S.]~~ ~~(I) personal relationships and affairs; [M.S.]~~
- ~~(C) bond, share and commodity transactions; [M.S.]~~ ~~(J) benefits from military service; [M.S.]~~
- (D) banking transactions; [.....]
- (K) records, reports and statements: [.....]
- ~~(E) business operating transactions; [M.S.]~~ ~~(L) full and unqualified authority to my attorney(s) in fact to delegate any or all of the foregoing powers to any person or persons whom my attorney(s) in fact shall select; [M.S.]~~
- ~~(F) insurance transactions; [M.S.]~~
- ~~(G) estate transactions; [M.S.]~~
- ~~(M) all other matters; [M.S.]~~

THIS POWER OF ATTORNEY is limited to all aspects of the Civil Court of the City of New York-County of Queens- Index # 22876 of 1994 regarding Citibank, Citicorp, etc, etc all corporations.

Charles Siegel is empowered to submit documents, exhibits, testify, answer questions, negotiate a settlement of my claim, all on my behalf and if in the event that happens or arises- to accept as final settlement of my claim any ~~check~~ check made payable to MAHESH SHAH ONLY and for Charles Siegel to sign on my behalf a Release to Citibank, Citicorp, etc, etc all corporations and to withdraw

1. any objections he has submitted for me and
2. Withdraw any & all testimony of his that he will present on June 26, 1998 including any document & exhibits submissions at the Public Meeting of Federal Reserve System at 33 Liberty Street, New York, New York concerning Travelers Group, Inc. and Citicorp.

Shesh Shah
MAHESH SHAH
Sworn to before me on 6-25-98 [Signature]

This power of attorney shall not be affected by the subsequent disability or incompetence of the principal.

To induce any third party to act hereunder, I hereby agree that any third party receiving a duly executed copy or facsimile of this instrument may act hereunder, and that revocation or termination hereof shall be ineffective as to such third party unless and until actual notice or knowledge of such revocation or termination shall have been received by such third party, and I for myself and for my heirs, executors, legal representatives and assigns, hereby agree to indemnify and hold harmless any such third party from and against any and all claims that may arise against such third party by reason of such third party having relied on the provisions of this instrument.

In Witness Whereof, I have hereunto signed my name and affixed my seal this 25th day of June 1998
Sheeh (Seal)
(Signature of Principal)

STATE OF New York COUNTY OF Queens ss.:

On the 25th day of June 1998 before me personally came Makesh Shah

to me known, and known to me to be the individual described in, and who executed the foregoing instrument, and he acknowledged to me that he executed the same.

TO CHARLES SIEGEL

Power of Attorney
Statutory Short Form

Dated, June 25, 1998


DONALD MASTROMARINO
Notary Public in the State of New York
No. 4726079
Queens County
Comm. Expires 12/31/01 2001



NOW-NYC

The Founding Chapter

Press Advisory from NOW-NYC

FOR IMMEDIATE RELEASE
June 26, 1998

Contact: Galen Sherwin
(212) 260-4422

**NOW-NYC, LEAD PLAINTIFF PAMELA MARTENS, GLORIA
STEINEM APPLAUD FEDERAL COURT DECISION TO THROW
OUT SMITH BARNEY SETTLEMENT:
CALL FOR REVISION OF "KANGAROO COURT" PROVISIONS**

NOW-NYC, Lead Plaintiff Pamela Martens, Gloria Steinem, and other noted feminists today applauded Justice Constance Baker Motley's decision to throw out the settlement in the Smith Barney sexual harassment case. The case, involving 25 plaintiffs, gained notoriety for the "Boom Boom Room" in Garden City branch office, and grew to include complaints in 11 States. NOW-NYC, NOW NYS and several of the named plaintiff's in the suit protested the settlement, calling the proposed dispute resolution program a "Kangaroo Court" because of the requirement that victims of workplace discrimination or harassment go through an arbitration panel paid for by Smith Barney.

Gloria Steinem proclaimed in a statement, "Justice Motley's decision is an important defeat of the private court system that Smith Barney and the financial industry have tried to set up. Employees as well as employers must always have recourse to an independent judiciary. No one should be forced to choose between justice and McJustice."

Pamela Martens, the lead plaintiff in the suit and a vocal critic of the settlement, said, "Throughout the history of the legal profession, women have been coerced in to dirty settlements on bad advice. Today I am here to say to the women of America, take heart. Judge Motley's decision confirms my belief that it is okay to stand up for what's right, and to just say no."

"The defeat of this settlement marks a tremendous victory for all women," said Galen Sherwin, President of NOW-NYC. "Judge Motley's finding that the settlement terms were neither fair, reasonable nor adequate confirms what we have known all along: that the proposed settlement is a raw deal for victims of sexual harassment, and that it does not go nearly far enough in combating workplace harassment and discrimination."

It is amazing how soon we forget.

Pam
Martens

Just 60 years ago that 4,835
banks went broke and
closed their doors, leaving shareholders
and depositors destitute. The underlying
reason that this happened was the lack of
moral courage by our regulators and elected
representatives to ~~reject~~ just say no to
powerful moneyed interests. Instead of
just saying "No" - Washington handed
the banks the equivalent of an ATM card
to the Fed's discount window to speculate
in stocks. ~~It was this type of banking~~
~~company~~ At a time when Japan, the
second largest industrialized nation, is
reliving the 1930s in America, complete with
banking insolvency, it is amazing and
preposterous that we should ~~be~~ discussing
pulling back Gas Stagell.

(1)

2

beholding to Wall St. for initial and secondary public offerings, recommended list rankings, and market-making liquidity provided by NASDAQ (the over-the-counter stock exchange.)

We also need to remember that the ^{political} dynamics that created the lockdown for the banking meltdown in the 30s grew from ~~corruption~~ a corrupt cozy culture between ~~banking and securities~~ Wall St. and Washington, ~~and~~

U.S. Supreme Justice William O. Douglas, ~~who~~ who knew a little about this matter, having served as Chairman of the young, new SEC, ~~spoke~~ called it what it was — ~~the~~ Chicanery and Corruption.

Frank Vanderlip, an actual former President of National City Bank, wrote in the Saturday Evening

at that time

Post that ~~there~~ ~~an~~ ~~un~~ ~~expected~~ separation of banking and securities ~~contributed~~ contributed to

~~the~~ the stock market ~~going~~ ~~from~~ ~~a~~ ~~market~~ value of ~~\$99~~ billion in 1929 to ~~15~~ billion

losing 90% of its value from 1929 to 1933.

The public was so sickened by the ^{but-bris} ~~but-bris~~ and corruption that an entire generation stayed away. It was not until 1954 — 25 years later — that Wall St. reached the peak set in 1929.

(3) There is a compelling body of evidence that suggests a corrupt cozy culture has once again enveloped the Grains of Washington. We can hardly look to the supkeepers of the public trust ~~who~~ ~~they~~ are falling over themselves to reap campaign windfalls from Wall St.

~~No better example of the moral hazard that is incubating on Wall St exists than how our~~
Mark and regulators are quick to criticize moral hazard when it's on foreign shores. Let's look at the moral hazard incubating ~~in America~~ at Travelers and Smith Barney:

On 1/9/96

- (1) When the SEC and Justice Dept found that Smith Barney was one of 24 firms placing their own customers through ~~at least~~ ^{or more} years of price fixing, ~~no one was~~ ^{no one went to} jail.
- (2) When a Special prosecutor found that Smith Barney had misled the former U.S. Agric Sec, again no one went to jail.
- (3) The firm is currently under investigation by various municipalities for the fraudulent mark-up of Treasury securities. And that, in fact, is reason enough to hold up this merger ~~since~~ ^{since} a felony charge against a primary dealer of Treasury securities would carry the burden to a merger with bank

(14)

And finally, as an 11-year employee
 of Smith Barney and the lead plaintiff
 in the infamous "Boom Zoom Room" suit
 I can personally attest that the management
 model espoused by Sanford Will ^{Quinn} and
 Thunders and James Rimer, ^{at} Chairman of Smith
 Barney, is nothing we would want to
 replicate at a money center bank or at a
 firm employing 160,000 people.

Sanford Will started in the brokerage
 business in 1962 with a firm called
 Carter Berlin Will and Smith. The Smith was
 Arthur Smith, who was Mr. Will's brokerage
 partner for 16 years. I believe Mr. Smith
 should recuse himself from the deliberation due
 to his long term relationship with Mr. Will.

As our suit lay out, women at Smith Barney
 were called witches and whores; were sexually
 and physically assaulted during the workday; were
 regularly subjected to vulgar, lewd and racist
 language. These charges have ~~been~~ come from
 branches coast to coast. Smith Barney's answer ~~to~~ ^{to this suit} -
 just as it answered, price fixing, libel and yield burning is: "deny
 deny"

Yours
 Faithfully

11/11/91